Seattle's Democracy Vouchers Law (Initiative 122, passed in 2015)

2.04.620 - The Right to \$100 in Democracy Vouchers, For Assignment to Qualified Candidates.

- (a) Democracy Vouchers. Democracy Vouchers are vital to ensure the people of Seattle have equal opportunity to participate in political campaigns and be heard by candidates, to strengthen democracy, fulfill other purposes of this subchapter and prevent corruption.
- Issuance of Democracy Vouchers. On the first business day in every municipal election year, SEEC shall mail to each person who was by the previous November 15th, duly registered to vote in the City of Seattle, at his or her address in the voter registration records, \$100 in vouchers ("Democracy Vouchers") consisting of four Democracy Vouchers of \$25 each, except that SEEC may deliver Democracy Vouchers online or in other manners if the person receiving same elects other manner of delivery as provided in this subchapter. Thereafter SEEC shall regularly issue \$100 in Democracy Vouchers to any person becoming a duly registered City of Seattle voter after the previous November 15th, up until October 1st of the election year. To be consistent with federal law, any adult natural person who resides more than 30 days in the City of Seattle, and who is a registered voter, or is eligible to vote under local, state or federal law, or who is eligible under federal law to donate to a political campaign, but who has not received any Democracy Vouchers in the election cycle, may opt in to the Program and obtain an equivalent number of Democracy Vouchers by application to SEEC. Any eligible adult may request Democracy Vouchers be mailed or emailed to an address other than that indicated in the voter registration records, or be delivered at SEEC offices, as soon as SEEC shall have developed a secure system for such distributions of Democracy Vouchers, including distribution online, in person, or to an address not listed in voter registration records. No resident outside Seattle, no corporation or other non-human entity, no person under the age of 18 years, and no person ineligible to make political contributions under federal law, may receive a Democracy Voucher.
- (c) Form of Democracy Vouchers. Each \$25 Democracy Voucher shall state the holder's name, a unique voucher identification number, the election year, and words of assignment with blank spaces for the holder to designate a candidate and sign the holder's name, and may include information SEEC deems helpful for verifying signatures such as the voter identification number and barcode, in substantially the following form:

\$25	1 of 4	Democracy Voucher for 20xx Election	Jane Q. Public		
On [insert date] / /, 20xx, I, Jane Q. Public, a resident of the City of Seattle, assigned this Democracy Voucher to a candidate for mayor, city attorney or city council named					
I attest that I obtained this Democracy Voucher properly and make this assignment freely, voluntarily and without duress or in exchange for any payment of any kind for this assignment, and not for any consideration of any kind, and that I am aware that assignment does not guarantee availability of funds and is irrevocable. Assignment is complete upon delivery to Seattle Ethics and Elections Commission, the named candidate, or her or his registered representative. Sale/transfer for consideration of this Democracy Voucher is strictly prohibited. Voucher may be redeemed only by qualifying candidates and only if such candidate has complied with additional contributions and spending limits and if funds are available.					
	Sig	ned: , 20xx.			

Jane Q. Public	voter ID and bar code	Voucher ID #123,456,789

- (d) Assignment of Democracy Vouchers. Vouchers are only transferable or assignable as stated herein. Any person properly obtaining and holding a Democracy Voucher may assign it by writing the name of the assignee candidate, and signing the holder's name on and dating the Voucher where indicated thereon, and delivering the signed and dated Voucher to the candidate, or to SEEC, or to any candidate's representative who shall be registered for this purpose with SEEC. Delivery may be by mail, in person (by any person the holder requests to deliver the voucher), or electronically via a secure SEEC online system. SEEC shall establish a secure online system for delivery of Democracy Vouchers (without prejudice to any eligible person's right to receive Democracy Vouchers in the mail at his or her option) no later than prior to the 2017 election cycle, unless SEEC determines this target date is not practicable; and in any event no later than the 2019 election cycle.
- (e) Limitations on Assignment. A person may only assign a Voucher to a candidate who has chosen to participate in the Seattle Democracy Voucher Program and who has filed a signed statement of participation and pledge with SEEC as described below. No Democracy Voucher may be assigned after the last business day in November following the election, or to any candidate filing for participation who then fails to qualify or becomes unqualified for the position sought or for the Program. A candidate or registered candidate representative may seek assignment in person or through representatives or by assisting a voter to access the SEEC secure online system. A valid assignment is irrevocable. A person may assign any number of his or her Democracy Vouchers to the same candidate in a given year. Assignment or transfer for cash or any consideration is prohibited. Offering to purchase, buy or sell a Democracy Voucher is prohibited. No person may give or gift a Democracy Voucher to another person, except by assigning it to a candidate as provided herein. Democracy Vouchers have no cash value and are not assets, income or property of the holder. A Democracy Voucher may not be assigned by proxy, power of attorney or by an agent.
- (f) Assignor Assumes Certain Risks. A Democracy Voucher expires if the holder is no longer resident in the City of Seattle, or no longer or not eligible to make political contributions under federal law, if such circumstances take place prior to the assignment to a qualified candidate. The holder of a Democracy Voucher assumes the risk that he or she may change his or her mind after assignment, or that the Democracy Voucher may not have use or be redeemed due to any contingency, including but not limited to unavailability of Program funds; the assignee candidate reaching the "Campaign Spending Limit" (described and defined below); a candidate's death, disqualification, dropping out, failure to redeem or use the Democracy Voucher; a candidate's not qualifying or violating the terms of qualification; or otherwise.

(Initiative 122, § 1, 2015.)

2.04.630 - Candidates to Qualify By Showing Grass Roots Support and Agreeing to New Campaign and Contribution Limits; Redemption of Democracy Vouchers; New Limits on Use of Funds.

- (a) Only Qualified Candidates Redeem Democracy Vouchers. Only a candidate who has filed with SEEC for participation in the Seattle Democracy Voucher Program may receive assignment of a Democracy Voucher. Only a candidate certified as qualified by SEEC may redeem a Democracy Voucher. Only a person eligible for and seeking the office of Mayor, City Attorney or City Council shall be eligible to file for Program participation.
- (b) Requirements for Program. To seek qualification, the candidate shall file with SEEC, on or after July 1st the year before an election year and within two weeks after filing a declaration of candidacy, a sworn statement attesting to his or her intent to participate, asserting that the candidate shall timely file or has filed a declaration of candidacy for the office indicated, and that the candidate shall comply

with Program requirements and applicable campaign laws. Such Program requirements are that the candidate: shall take part in at least three public debates for primary and general elections each (as defined by SEEC, and SEEC may waive or reduce the number of debates, if a qualifying candidate makes all reasonable efforts to participate in debates and similar public events); shall comply with campaign laws and spending and contribution limits; and, the candidate shall not knowingly solicit money for or on behalf of any political action committee, political party, or any organization that will make an independent expenditure for or against any City of Seattle candidate within the same election cycle (for the purposes of this section, appearing as a featured speaker at a fundraising event for a committee or entity shall constitute soliciting money for such committee or entity). Further Program requirements are that a candidate for Mayor shall not solicit or accept total contributions from any individual or entity in excess of a total of \$500 during one election cycle, and a candidate for City Attorney or City Council shall not solicit or accept total contributions from any individual or entity in excess of a total of \$250 during one election cycle (including any contribution used to qualify for Democracy Vouchers, but excluding the value of Democracy Vouchers assigned to such candidate) (subject to exceptions provided herein).

- (c) Qualifying Contributions. To qualify for the Democracy Voucher Program, candidates shall show they have received at least the following numbers of "Qualifying Contributions" of at least \$10 but not more than the Program contribution limit for the office sought provided in SMC 2.04.630(b) from individual adults (18 years of age or older), who are human natural persons residing in the City of Seattle, and eligible under federal law to make political contributions: Mayoral candidates, at least 600; City Attorney candidates, at least 150; at-large City Council candidates, at least 400; and district City Council candidates, at least 150 (of which at least 75 shall be from individuals residing in the district sought to be represented by the candidate). SEEC shall maintain a list of qualified candidates and make it readily accessible to the public, including by publishing it on SEEC's website.
- (d) Campaign Spending Limit. Participating candidates shall comply with all campaign laws and not exceed the following "Campaign Spending Limits" (defined as (i) money spent to date (equal to prior expenditures, plus debts and obligations), and the value of any in kind donations reported, plus (ii) cash on hand and (iii) the value of unredeemed Vouchers on hand which the candidate shall have allocated to the primary or general election): Mayor \$400,000 for the primary election, and \$800,000 total (for both primary and general election); City Attorney, \$75,000 for the primary election, and \$150,000 total; at-large City Council, \$150,000 for the primary election, and \$300,000 total; district City Council, \$75,000 for the primary election and \$150,000 total.
- (e) Further Limits on Redemption. A qualified candidate may collect Democracy Vouchers for the general election before the primary election takes place and allocate same to the general election without such Vouchers counting against the Campaign Spending Limit for the primary election, but may not redeem Vouchers for the general election unless such candidate advances to the general election.
- (f) Remedies for Exceeding Campaign Spending Limit. If a qualified candidate demonstrates to SEEC that he or she has an opponent (whether or not participating in the Program) whose campaign spending has exceeded the Campaign Spending Limit for the position sought as indicated above, where SEEC deems the excess material it shall allow such candidate to choose to be released from the Campaign Spending Limit and campaign contribution limits for the Program, in which case SEEC shall allow such candidate to redeem his or her Democracy Vouchers received theretofore or thereafter up to the amount of the Campaign Spending Limit only, then allow such candidate to engage in campaign fundraising without regard to any Program requirements. SEEC shall also release a qualifying candidate from the Campaign Spending Limit to the extent that it is shown (on application of a Seattle candidate or citizen) that said qualified candidate faces independent expenditures as defined in SMC 2.04.010 adverse to the candidate or in favor of an opponent and the sum of such independent expenditures plus said candidate's opponent's campaign spending materially exceeds the Campaign Spending Limit for that office.
- (g) Loss of Qualification. A candidate loses qualification for the Program by publicly announcing withdrawal, abandoning the race, failing to advance to the general election, or if SEEC finds

- sufficient material violations of election laws or Program requirements such as violation of spending or contribution limits, or fraudulent or attempted fraudulent assignment of Democracy Vouchers.
- (h) Redemption of Vouchers. SEEC shall redeem Democracy Vouchers only after verifying the assignment by ensuring the Voucher was issued to an eligible person, and verifying the signature written in the words of assignment, and only if redemption shall not put the candidate over the Campaign Spending Limit and only if Program funds are available. To verify signatures SEEC may employ the division of King County Records and Elections which verifies signatures for initiative petitions or mail-in ballots. SEEC shall redeem Democracy Vouchers on published regular redemption dates that shall be no less frequent than twice a month and may redeem Vouchers on other dates notified in advance if SEEC deems it practicable. SEEC shall not redeem any Democracy Voucher received by SEEC after the first business day in the month of December after the general election.
- (i) Limits on Use of Voucher Proceeds. Candidates shall use Democracy Voucher proceeds only for campaign costs or debts for the relevant office and election cycle, and may not use such proceeds after a reasonable period (to be set by SEEC) following the election to pay campaign debts. Candidates shall not use Democracy Voucher proceeds for any cash payments or in violation of any law; nor to pay the candidate (except to repay or reimburse a loan to his or her political committee or campaign in an amount not greater than that provided in RCW 42.17A.445(3) or WAC 390-05-400) or pay a member of the candidate's immediate family as defined in RCW 4.16.030; pay any entity in which the candidate or an immediate family member holds a ten percent or greater ownership interest; pay any amount over fair market value for any services, goods, facilities or things of value; pay any penalty or fine; or pay any inaugural costs or office funds cost.
- (j) Return of Democracy Voucher Proceeds. A candidate who has redeemed a Democracy Voucher, then withdraws, dies, becomes ineligible, loses qualification, or is eliminated in any primary or general election or wins a general election, shall within a reasonable period, as defined by SEEC, pay all debts and obligations, account to SEEC and restore to SEEC and the Program "Unspent Democracy Voucher Proceeds." SEEC shall define "Unspent Democracy Voucher Proceeds" by rule.

(Initiative <u>122</u>, § 1, 2015.)